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Multi-stakeholder dialogue on sustainable forest management

Note by the Secretary-General

Addendum

Discussion paper contributed by private non-industrial forest owners**

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Introduction

1. According to latest Economic Commission for Europe (ECE)/Food and Agriculture Organization of the United Nations (FAO) statistics, the ownership structures in the temperate and boreal forest regions of the world are characterized by a great variety.

Region	*Public ownership*	*Private ownership*
	(percentage)	
Europe	45.2	54.8
Of which EU-15[a]	29.8	70.2
CIS[b]	100.00	0
North America	63.2	36.8
Canada	89.7	10.3
United States of America	33.3	66.6
Other temperate/boreal countries		
Australia	73.0	27.0
Japan	41.0	59.0
New Zealand	69.4	30.6
Grand total	**80.7**	**19.3**

Source: ECE and FAO, Temperate and Boreal Forest Resources Assessment, 2000 (ECE/TIM/SP/17). As United Nations publication: *Forest Resources of Europe, CIS, North America, Australia, Japan and New Zealand (Industrialized Temperate/Boreal Countries)* (United Nations publication, Sales No. E.99.II.E.36).

[a] Member States of the European Union (EU).

[b] Commonwealth of Independent States.

It is obvious from these figures that, in Europe, North America and Japan, private forest ownership plays a major role in achieving sustainable forest management. In Europe and North America alone, there are some 30 million family forest owners who manage their forest properties ranging from 0.5 hectares (ha) to over 1,000 ha.

Historical review

1. European forests

2. The principle of sustainable forest management was introduced in Central Europe over 200 years ago as a basic concept for orderly forest management to overcome the major shortage of timber that had resulted from excessive exploitation of the forests. Forest management based on long-term thinking and planning soon became established and rapidly spread throughout Europe. The discovery of new sources of energy gave the forests the breathing space they needed in order to recover. Productive forests soon developed, and by the end of the nineteenth century, they had largely replaced the formerly devastated and degraded forest areas. Silvicultural methods and forest science have continued to progress ever since.

2. North American forests

3. One of North America's first successful European colonies, Jamestown, Virginia (settled in 1607), was established to provide two commodities — gold and wood — for the British Navy. From that time, America's vast untouched forest lands provided, food, shelter and fuel for a growing nation. By the mid-nineteenth century, States like Vermont and New Hampshire, once completely forested, now supported only 20 per cent forest cover.

4. Scientific sustainable forest management was first introduced into the American landscape in the early years of the twentieth century. Gifford Pinchot's Biltmore School of Forestry introduced German concepts of silviculture to Americans training to become professional foresters. With the introduction of this concept and the discovery of fossil-based energy, America's private forests thrived.

5. Today, the continental United States of America has nearly 20 per cent more trees than 70 years ago. Vermont and New Hampshire have been transformed from being only 20 per cent forested to currently being 80 per cent forested. Today, both government and private programmes have helped restore private forests of the United States to healthy and sustainable levels.

6. The broad pattern of the development of forestry in Canada is similar. The "frontier mentality" of the nineteenth century and before has been replaced by increasing efforts to manage a renewable but not unlimited resource. One difference from the United States is the preponderance of public forests in Canada. This has contributed to some unique issues, including marketing challenges for family forest owners. Continued improvements in the public policy framework that influences family forest owners'

decisions will contribute to improvements in productivity of a variety of goods and services.

I. Setting the scene

A. The respect for property rights and the need for a reliable legal framework as a prerequisite of sustainable forest management

7. The basis for sustainable forest management and the protection of forest ecosystems is secure land tenure rights. The interest in forest conservation and protection and the sustainable development of forests is closely linked to the right of the owner to use and manage the forest in order to fulfil present and future needs of the wider societal environment. It is in the owner's self-interest to maintain, on a long-term basis, an economically, socially and ecologically beneficial forest for him- or herself and the generations to come. Ensuring the owner's property rights is a prerequisite for developing the spirit of sustainability.

8. Without secure land tenure rights, neither a sense of responsibility nor an interest in conserving forest ecosystems for the generations to come can be developed.

9. Giving the right of ownership, and thus the right to use and manage the multiple goods and benefits that the forests produce, to a large number of people would result in the sound responsibility of these owners for their forests and the protection and sustainable management of the natural heritage. At the same time, the different aims and concepts will lead to a variety in forest structures and tree composition which, in turn, would enhance stability and biodiversity.

10. The reasons for forest degradation and destruction are, in most cases, to be found outside the forest sector itself: poverty and the demand for food and energy of growing populations are among the main underlying causes.

11. The dynamics of private forestry and investment in sustainable forest management can develop positively only when a reliable legal framework enhances the necessary long-term management decisions in forestry.

B. Forest management over the generations: sustainable investment on a sound economic basis

12. The responsibility of family forest owners for maintaining the forest as a long-term basis for life is firmly rooted throughout Europe and North America and responsible forest management has been practised for generations.

13. Owing to the increase of ownership and the operational structures prevailing in rural areas, the bond between the rural populations on the one hand and the forests and forest management on the other is something very special and highly diverse. The fact that forest properties are widely spread over large areas has also given rise to a very close interrelationship between long-term forest production and the forest owners' responsibility over generations in the cultural landscapes of Europe and North America.

14. Forest management has developed within the framework of the prevailing legal and economic conditions. Today's understanding of sustainability encompasses economic, ecological, social and cultural values. How these dimensions are emphasized depends, however, on the different conditions and needs in the respective regions. The structural diversity of forests, in accordance with their respective climatic zones and frequently changing local conditions, is one of their most outstanding characteristics.

15. Widespread private forest ownership should be regarded as a factor strengthening economic viability and diversity in rural areas. Private forests have traditionally been maintained in a sustainable manner, as their owners wish to pass them on in a viable form to the next generation.

16. The primary objective of private forest owners is financial security and income that enables them to invest in reforestation, nature management and protection and social values.

17. Sustainable forest management is a complex issue integrating both material and immaterial values, and benefits for both society and nature. Therefore, the setting of sustainability goals as well as measuring progress towards them is a demanding task and one very sensitive to subjective valuation. Furthermore, the goals of sustainable forest management are clearly dynamic over time.

18. Sustainable forest management requires certain investments in forest productivity (for example, forest regeneration), and social issues (for example, clarification of land tenure), as well as investments in maintaining the natural values and reducing the environmental effects of the use of forest resources. In the basic theories of economics, it is presumed that the price for a good is established through the market when supply and demand are equal and competition is free. In a market economy, prices are used to efficiently allocate scarce resources. Sufficient stumpages (sufficient or adequate prices for the timber produced) and the profitability of forestry are guarantees for sustainable forestry.

19. However, too little attention is paid to the profitability of forest management and its basis — the income from the forest.

20. A fresh look should be taken at the comparisons of international wood costs in terms of sustainability. Family forest owners, at least, will have limited resources to provide non-market benefits of forests for free unless forestry is financially profitable. Non-market benefits would include both environmental benefits (protection from soil erosion and mud flows, acting as carbon sinks etc.) and human benefits (recreation etc.).

21. Any restrictions on wood productions also affect the profitability of forestry. New demands of forest protection tend to restrict sustainable harvesting and timber availability, thus affecting the profitability that is a key factor in developing the concept of sustainable forestry.

22. In economic thinking, it is presumed that the consumer pays the production costs. This should be the starting point in market-oriented, multifunctional forestry as well. Forest owners cannot be obligated to bear the costs of non-market benefits derived from forests that go beyond their social responsibility by an unreasonable loss of income. In most European countries, for example, free public access is granted by law to all forests, no matter whether they are privately owned, or community- or State-owned. The forest owner has to ensure that the main roads along and main paths through his/her forests do not bear risks for visitors. If the forest owner does not remove obvious dangers, he or she can be made liable for damage. These issues must be taken into account.

C. Public participation and forest owners' decision-making

23. Private forestry should be based on a free market economy. To respect forest diversity, forest policy should be formulated at the national and regional levels in accordance with the principle of subsidiarity rather than by the central administration. The property rights and the decision-making power of private owners must be respected. Forest owners must be entitled to be heard regarding all issues concerning them.

24. Nowadays, public participation is very strongly encouraged in forest policy processes. In that context, it is of great importance that the different levels of participation and the objectives be known and commonly agreed upon by the participating parties.

25. Public participation at the international, national and regional levels needs to be specified and to be based on set rules and procedures. In that context, it is important to refer to the findings of the FAO/ECE/International Labour Organization (ILO) report entitled *Public Participation in Forestry in Europe and North America*:[1]

> "It is, however, recognized that private ownership represents a different context for participation compared to public forests ... Many private forest owners, notably those with small holdings, face difficulties in making use of participation. They tend to lack the resources and know-how to participate fully, let alone organize processes themselves. They can be put off if faced, for instance, with articulate and well-organized pressure groups. Public participation in private forests cannot go ahead without the acceptance of private forest owners."

26. The Rio Declaration on Environment and Development[2] (1992) is often quoted when it comes to decision-making processes in the context of overall sustainable development. In that respect, it is worthwhile to mention some of the core principles: principle 1, according to which "human beings are at the centre of concern for sustainable management"; principle 4, according to which "in order to achieve sustainable development, environmental protection shall constitute an integral part of the development process and cannot be considered in isolation from it"; and principle 22, according to which "other local communities have a vital role in environmental

management and development because of their knowledge and traditional practices".

27. The quintessence of the Rio Declaration promotes an holistic, integrative approach to sustainable development that is based on the sovereign rights of nations and respects the principle of subsidiarity which values the knowledge, know-how and experience of local and regional communities in the management of their natural resources.

28. Along the same lines it is also worthwhile to look behind the philosophy of Agenda 21,[3] in particular chapters 8, 11, 27 and 32.

29. The overall objective of chapter 8 is "to improve or restructure the decision-making process so that consideration of socio-economic and environmental issues is fully integrated and a broader range of public participation assured ... recognizing that countries will develop their own priorities in accordance with their prevailing conditions ... policies and programmes" (para. 8.3).

30. Chapter 11 emphasizes repeatedly the crucial role of the private sector, rural cooperatives and local communities in combating deforestation. Chapter 27 outlines the partnership role that non-governmental organizations play in sustainable development. It has to be clear that the term "non-governmental organization" signifies a broad range of civil society representatives (forest owners and managers, forest industry, indigenous non-governmental organizations, workers' associations, consumers' associations, environmental non-governmental organizations, trade associations etc.).

31. Last but not least, chapter 32 encourages a decentralized decision-making process through the creation and strengthening of local and village organizations that would delegate power and responsibility to primary users of natural resources. This concept of decentralization forms the basis for forest owner associations in both Europe and North America.

32. In summary, Agenda 21 underscores the holistic, integrative, bottom-up approach required to reach sustainable development. There are mechanisms that guarantee that the values of the Rio Declaration and those of Agenda 21 are implemented via a democratic process reflecting the diversity of the regions they represent. In the pan-European region, the mechanism is the Ministerial Conference on the Protection of Forests in Europe; and in the North American region, the mechanism is the Montreal Process.

II. Conservation and protection of unique types of forests and fragile ecosystems

33. Forests play a vital role as a protective mechanism in densely populated areas. They are indispensable for protecting, among other things, our climate and water supplies, for helping to contain atmospheric pollution and for noise abatement purposes. Forests are the best means to prevent soil erosion. In addition, they protect settlement areas and communication connections (for example, telegraph poles) against natural dangers such as avalanches, mud flows, floods and rockslides. The comparison of erosion in forested and non-forested areas shows a ratio of 1:200. The water run-off rate which considerably influences the development of floods is 10 times higher in non-forested areas.

34. Private forest owners in Europe and North America are, in principle, supportive of biodiversity protection. Biodiversity has been taken into account for a long time, and European and North American forests provide for a variety of habitats as well as shelter for vulnerable species that have very specific ecological requirements. Private forest owners naturally adhere to the concept of sustainable management which links together functions of production and conservation as well as provides a social component.

35. Nevertheless, owners note that, beyond the customary measures found in forest codes and legislation, Governments have taken and continue to take "protection" measures in certain forest zones. In the majority of cases, the boundaries and the constraints on management are decided unilaterally, without the opportunity for owners and forest managers to express their opinions.

36. Finally, these measures are generally not accompanied by financial support from the State as compensation for the additional costs and loss of income incurred by constraints on forest management, or as remuneration for services rendered to the community by owners and forest managers.

37. This situation is prejudicial, both to the smooth development of the conservation policies intended, and to the economic situation of the zones involved, which are disadvantaged in comparison with other forests where such constraints are not applied.

38. The quality of management of family forests for the production of timber and environmental and social values varies from family to family. In general, there is less regulation in the North America region aimed at preventing abusive forest practices than in Europe. Education and incentives are viewed as being more desirable from the owners' point of view and more effective for society.

39. Safeguarding the biodiversity in forests is carried out primarily by ensuring the biodiversity of commercially managed forests and secondly by conservation area designations. Conservation areas are important when protecting ecologically fragile areas or forest-dwelling endangered species that might lack adequate habitats in commercial forests. When defining the target for establishment of conservation areas or forest reserves, it is necessary to take into account the effects of forest management practices that conserve the ecological values within commercially managed forests as well as the experiences and results gained from research. All the dimensions of sustainable forestry need to be taken into consideration when setting out conservation objectives. Forest protection practices and strategies should encourage landowners and forest managers to protect forests that are particularly valuable from the biodiversity point of view. Voluntary action brings about the best results in forest conservation. The traditional knowledge that forest owners have of their forests and forest management practices should be used as a valuable information base in forest protection. Participation of forest owners in the processes by which valuable sites are identified and suitable preservation programmes and measures are established must be seen as a resource for the society.

40. The challenge is to help Governments and industry alike understand that a broad framework of policies must be considered if policies are to be designed that really reflect and enhance the potential contribution of family forestry to a viable rural economy and regional development.

III. Proposals to enhance sound conservation of unique types of forests and fragile ecosystems

A. Demarcation of forest conservation zones

41. Consultation is essential during the process of forest conservation zone demarcation. This consultation must allow clarification of the precise reasons why protection is needed (in other words, which ecosystems, species or other entities are to be protected); and the precise reasons why ordinary sustainable forest management based on strict application of current forest laws and codes is insufficient to guarantee the level of the conservation sought.

42. In addition, such consultation should allow investment and projects that forest managers and owners have undertaken within the identified zone to be taken into account, along with considerations relating to the processing mills they supply. Finally, the consultation must take into account the impact of the planned forest conservation zone on employment and rural development.

B. Definition of technical measures applicable to the forest conservation zones

43. These technical measures should be agreed upon among scientists, forest managers and owners. No technical measure ought to be adopted without cast-iron justification from a scientific and technical perspective.

44. These technical measures must be exhaustively analysed to minimize the negative effects on forest management and costs while maximizing the possible beneficial effects.

45. Development documents and other plans for managing forests, whether drawn up on a voluntary basis or in line with existing legislation in different countries, have allowed the long-term change in forest populations and ecosystems with regard to sustainable management to be taken into account. This is why such documents represent an indispensable tool for the introduction of technical measures aiming to improve

the protection of species or forest ecosystems in the forest conservation zones. These documents and other plans for managing forests whether drawn up on a voluntary or a legal basis must therefore remain the only frame of reference for forest management within forest conservation zones.

46. Development documents and other plans for managing forests, drawn up on either a legal or a voluntary basis, must integrate the management techniques recommended for the protection of species of forest ecosystems in the forest conservation zones, while making use of appropriate existing arrangements.

47. Any system of authorizing forest management on a step-by-step, piecemeal basis by one or more administrative authorities is not appropriate for guaranteeing the long-term management of species or forest ecosystems. Such a practice ought to be banned.

C. Financial support in protected forest zones

48. Financial measures should be the subject of consultation between the public authorities representing the general public interest and forest owners and managers. It is morally, economically, socially and practically unacceptable to make owners and forest managers alone bear the financial weight of technical measures applicable in forest conservation zones, that is to say, it is:

- Morally unacceptable because it is not for a single class of citizens to bear the costs of a larger social good;
- Economically unacceptable because if there is no financial compensation, these zones — which are in competition with other forest zones not subject to the same constraints — are disadvantaged and therefore suffer unfair competition;
- Socially unacceptable because if there is no financial compensation, conservation measures will lead to an increase in costs and therefore weigh down employment and economic activity in the rural areas concerned;
- Practically unacceptable because it is the forest owners and managers who will have the responsibility of implementing the applicable management measures, and this is possible only if players are socially and financially motivated.

49. The total setting aside of forest zones as reserves, or the introduction of technical measures that imply unbearable constraints on private owners or managers, in effect amounts to expropriation. In such cases, financial compensation on a legal (contractual) basis or fair compulsory purchase — taking into account the essential elements of the forest before its classification as a forest conservation zone — is a precondition for the introduction of relevant technical measures.

50. Financial measures must be periodically valued, taking into account changes in the economic environment. They must be reviewed each time applicable technical measures are modified.

IV. Proposals to enrich discussions at the second session of the Forum including inputs to the high-level ministerial segment

51. The United Nations Forum on Forests has a mandate to foster a common understanding in respect of sustainable forest management and to address forest issues and emerging areas of priority in a holistic, comprehensive and integrated manner.

52. At present the international forestry regime comprises a large number of forest-related legal and non-legally binding provisions, initiatives and programmes including the decisions adopted at the United Nations Conference on Environment and Development, the Intergovernmental Panel on Forests/Intergovernmental Forum on Forests (IPF/IFF) proposals for action, and the Convention on Biological Diversity[4] and the United Nations Framework Convention on Climate Change.[5] Many of the instruments address sub-areas of forestry and focus on special goods and services that forests provide.

53. The United Nations Forum on Forests has an essential and central role in providing policy coordination among the various provisions and initiatives as well as in strengthening political commitment. The Forum provides a forum within which to address forest issues of global concern in such a way as to ensure that all the dimensions of sustainable forestry are taken into account.

54. The Collaborative Partnership on Forests established simultaneously with the United Nations Forum on Forests also has a key role to play in this

context. The individual members of the Partnership have to cooperate in order to guarantee the coordination of the work, so that unnecessary duplication of work is avoided and scarce resources will be used as efficiently as possible. The synergy in respect of work between the Forum and the Convention on Biological Diversity is of the utmost importance.

55. The work of the United Nations Forum on Forests should promote sustainable forest management by defining common basic principles and minimum standards and requirements for sustainable forest management respecting the Rio Declaration on Environment and Development (1992).[6] Such principles should be implemented through national forest programmes. National forest programmes are an important tool for promoting management, conservation and sustainable development of all types of forests. They are formulated taking into account each country's specific conditions and needs respecting the principle of subsidiarity. Experience gained from regional processes with regard to criteria and indicators for sustainable forest management should form a vital part of implementing the work of the United Nations Forum on Forests.

56. Rapid progress in the implementation of the plan of action of the United Nations Forum on Forests,[7] is required. A vital part of the plan of action is the implementation of the IPF/IFF proposals, which include many actions directed towards forest conservation, protected areas and environmental services (main themes of the second session of the Forum). Mobilizing and generating financial resources should be emphasized within the early stages of the work of the Forum. Only sufficient financial resources enable all countries and regions to participate successfully in the achievement of the commonly set and agreed upon objectives.

57. The work of the United Nations Forum on Forests should support the development and establishment of a legally binding agreement on forests. Basic work for identifying the possible elements of a legally binding instrument should be part of the whole sphere of activities of the Forum. The plan of action of the Forum also emphasizes the public-private partnership. Enabling a stable policy environment and encouraging an institutional framework are a precondition of private sector activities to foster sustainable forest management. Civil society and the private sector, including forest owners, must have the possibility of participating in the development of the guiding principles and strategies of forests and the forestry sector.

58. Only the involvement of the private sector in the planning and decision-making process would provide the foundation for further private sector participation in the implementation of sustainable forest management.

59. The active participation of the private sector and private forest owners, who in many countries bear the responsibility for the implementation of sustainable forest management as well as practical decision-making, must be included at all levels from the regional to the national and international. The participation of the private sector and private forest owners' representatives must also be strengthened within the United Nations Forum on Forests process.

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Notes

[1] Working Paper, No. 163 (2000).

[2] *Report of the United Nations Conference on Environment and Development, Rio de Janeiro, 3-14 June 1992*, vol. I, *Resolutions Adopted by the Conference* (United Nations publication, Sales No. E.93.I.8 and corrigendum), resolution 1, annex I.

[3] Ibid., annex II.

[4] See United Nations Environment Programme, *Convention on Biological Diversity* (Environmental Law and Institution Programme Activity Centre), June 1992.

[5] United Nations, *Treaty Series*, vol. 1771, No. 30822.

[6] Forest resources and forest lands should be sustainably managed to meet the social, economic, ecological, cultural and spiritual needs of present and future generations. These needs are for forest products and services, such as wood and wood products, water, food, fodder, medicine, fuel, shelter, employment, recreation, habitats for wildlife, landscape diversity, carbon sinks and reservoirs, and for other forest products.

[7] *Official Records of the Economic and Social Council, 2001, Supplement No. 22* (E/2001/42/Rev.1), part two, chap. I, sect. B, resolution 1/2, annex.